



COUNTY OF LOS ANGELES

**Public Health**

**JONATHAN E. FIELDING, M.D., M.P.H.**  
Director and Health Officer

**JONATHAN E. FREEDMAN**  
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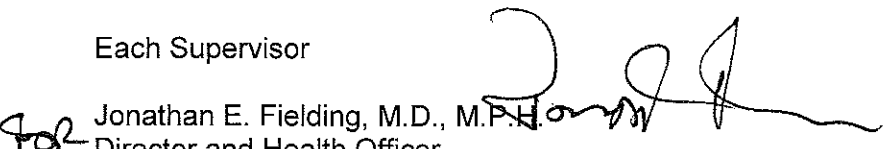
**Zev Yaroslavsky**  
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Fourth District

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Fifth District

August 5, 2010

TO: Each Supervisor

FROM:  Jonathan E. Fielding, M.D., M.P.H.  
Director and Health Officer

SUBJECT: **NOTIFICATION OF THE USE OF DELEGATED AUTHORITY TO EXECUTE A  
SOLE SOURCE AGREEMENT FOR EQUIPMENT MAINTENANCE AND  
REPAIR SERVICES**

This is to notify you that I am exercising the delegated authority approved by your Board on July 13, 2010, to execute new service agreements related to public health emergency preparedness and response and to other public health threats and/or emergencies, with contract maximum obligations not to exceed \$500,000 per service agreement and not to exceed a twelve-month term, 100 percent funded by the Centers for Disease Control and Prevention (CDC); subject to review and approval by County Counsel and the Chief Executive Office (CEO) and notification to your Board.

Under this delegated authority, the Department of Public Health's (DPH's) Public Health Laboratory (PHL) will enter into a sole source agreement with Honeywell Building Solutions (Honeywell) for the continued provision of equipment maintenance and repair services for the PHL's security system. The service is effective August 10, 2010 through August 9, 2011, in the amount of \$49,230; 100 percent funded by CDC Notice of Award 5U90TP917012-10 (known as Budget Period 10 extension) effective for the period of August 10, 2010 through August 9, 2011.

On June 25, 2010, your Board was notified of DPH's use of delegated authority to enter into a sole source agreement with Honeywell for the above referenced services, effective June 22, 2010 through August 9, 2010, in the amount of \$8,345; 100 percent funded by Bioterrorism (BT) grant funding. Continuation of Honeywell's services is essential to the PHL, and therefore, DPH will enter into a new County Agreement with Honeywell under the new federal funding period of August 10, 2010 through August 9, 2011.

Honeywell's proprietary technology and equipment requires DPH to maintain this service agreement to ensure that the PHL's security system performs in accordance with Honeywell's equipment specifications. A laboratory security plan/system is mandated under the Public Health Security and Bioterrorism Preparedness and Response Act of 2002, which sets forth the requirements for possession, use, and transfer of select agents and toxins. The security plan must be sufficient to safeguard the select agent or toxin against unauthorized access, theft, loss, or release. The Honeywell technology and equipment enables DPH to comply with these guidelines.

The Honeywell service agreement includes software and hardware enhancements and provides for the maintenance of access control and surveillance devices; cameras used for surveillance of the PHL's facility that have the ability to record and view the premises and allow for quick retrieval of specified recorded incidents; and an Energy Manager Program that monitors, validates, and optimizes energy usage. Honeywell's services also include threat and vulnerability assessments, standard operating procedure consultation, security audits to ensure proper system operation at all times, and a cardholder management system for the PHL's photo identification badge system which is required for entry throughout the laboratory.

Per Honeywell's request, modifications to the Agreement have been made to incorporate mutual indemnification. Additionally, Honeywell has included a "Limitation of Liability" provision by which they are not liable for any special, incidental, indirect, consequential, punitive or exemplary damages arising from, relating to, or connected with the services, equipment, materials, or any goods provided under the Agreement. Lastly, DPH has agreed to accept a "Certificate of Insurance" in lieu of Honeywell's proof of insurance, as its insurance policies are considered proprietary and confidential, and will only be released to DPH under a court order. As Honeywell is the sole provider of this security system and its equipment is proprietary, contracting with Honeywell is essential and provides minimal operational risks, thereby minimizing the County's exposure to liabilities. Attachment A provides details of the revisions to the County Agreement.

County Counsel and the CEO have reviewed and approved the sole source agreement and this delegated authority action. Attachment B is the signed Sole Source Checklist.

If you have any questions or need additional information, please let me know.

JEF:ly  
#01582

Attachments (2)

c: Chief Executive Officer  
County Counsel  
Executive Officer, Board of Supervisors


### Revisions to Honeywell International, Inc. Agreement

Contract negotiations with Honeywell International, Inc. (Honeywell) resulted in revisions to the following County's standard contract:

| COUNTY'S STANDARD PROVISION                                                                                                                                                                                                                                                                                                                                                                                                                                           | HONEYWELL'S REVISION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>INDEMNIFICATION:</b> Contractor shall indemnify, defend, and hold harmless County and its Special Districts, elected and appointed officers, employees, and agents from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from or connected with Contractor's acts and/or omissions arising from and/or relating to this Agreement.</p> | <p><b>INDEMNIFICATION:</b> Notwithstanding any other provision of this Agreement, the County will indemnify, hold harmless and, at Contractor's request, defend Contractor and its affiliates and their respective employees, officers, directors, agents and representatives (collectively, the "Honeywell Indemnitees") from and against any and all losses, claims, actions, demands, causes of action, costs, expenses (including, but not limited to, expenses of litigation and reasonable Attorneys' fees), damages, liabilities, settlements, fines and penalties suffered or incurred by any Honeywell Indemnitee arising from, resulting from or relating to any third party claims (as defined below) that (i) seek to impose liability on such Honeywell Indemnitee for release of hazardous substances or other biological, chemical or other substances or agents that are stored or present in or at County's premises, or (ii) otherwise relate to or arise from this agreement. Subject to and limited by Section 21 of this Agreement (Entitled "LIMITATION OF LIABILITY"), Contractor agrees to indemnify and hold harmless the County, its Special Districts, elected and appointed officers, employees, and agents from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from or connected with Contractor's negligent acts and/or omissions arising from and/or relating to this Agreement.</p> <p>"THIRD-PARTY CLAIM" means any claim or demand made or asserted by a person that is not a party to this Agreement against Contractor or any other Contractor indemnitee.</p> |

| <p><b>COUNTY'S STANDARD PROVISION</b></p> <p><b>GENERAL PROVISIONS FOR ALL INSURANCE COVERAGES</b></p> <p>A. Evidence of Coverage and Notice to County: A certificate(s) of insurance coverage (Certificate) satisfactory to County, and a copy of an Additional Insured endorsement confirming County and its Agents (defined below) has been given below) has been given Insured status under the Contractor's General Liability policy, shall be delivered to the County at the address shown below and provided prior to commencing services to commencing services under this Contract.</p> <p>Renewal Certificates shall be provided to County not less than ten (10) days prior to Contractor's policy expiration dates.</p> | <p><b>HONEYWELL'S REVISION</b></p> <p><b>GENERAL PROVISIONS FOR ALL INSURANCE COVERAGES</b></p> <p>A. Evidence of Coverage and Notice to County: A certificate(s) of insurance coverage (Certificate) satisfactory to County, and a copy of an Additional Insured endorsement confirming County and its Agents (defined below) has been given below) has been given Insured status under the Contractor's General Liability policy, shall be delivered to the County at the address shown below and provided prior to commencing services to commencing services under this Contract.</p> <p>Renewal Certificates shall be provided to County not less than ten (10) days prior to Contractor's policy expiration dates.</p>                                                                       |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>HONEYWELL'S ADDITIONAL LANGUAGE</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <p><b>NOT APPLICABLE.</b></p> <p><b>LIMITATION OF LIABILITY:</b> In no event shall Contractor be liable for any special, incidental, indirect, consequential, punitive or exemplary damages, whether arising out of or as a result of breach of contract, warranty, tort (including negligence), strict liability, mold, moisture, indoor air quality, or otherwise, arising from, relating to, or connected with the services, equipment, materials, or any goods provided hereunder. Notwithstanding anything to the contrary herein, Contractor's total liability arising out of, relating to or as a result of this agreement, including without limitation its performance or non-performance of the services under this agreement, shall not exceed the aggregate amount of \$1 Million.</p> |

**SOLE SOURCE CHECKLIST**  
**(HONEYWELL BUILDING SOLUTIONS)**

| Check<br>(✓) | <p style="text-align: center;"><b>JUSTIFICATION FOR SOLE SOURCE<br/>PROCUREMENT OF SERVICES</b></p> <p><i>Identify applicable justification and provide documentation for each checked item.</i></p>                                                                                                                                                               |
|--------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ✓            | ➤ Only one bona fide source for the service exists; performance and price competition are not available.                                                                                                                                                                                                                                                           |
|              | ➤ Quick action is required (emergency situation)                                                                                                                                                                                                                                                                                                                   |
|              | ➤ Proposals have been solicited but no satisfactory proposals were received.                                                                                                                                                                                                                                                                                       |
|              | ➤ Additional services are needed to complete an ongoing task and it would be prohibitively costly in time and money to seek a new service provider.                                                                                                                                                                                                                |
| ✓            | ➤ Maintenance service agreements exist on equipment which must be serviced by the authorized manufacturer's service representatives.                                                                                                                                                                                                                               |
|              | ➤ It is most cost-effective to obtain services by exercising an option under an existing contract.                                                                                                                                                                                                                                                                 |
|              | ➤ It is the best interest of the County (e.g., administrative cost savings, too long a learning curve for a new service provider, etc.).                                                                                                                                                                                                                           |
| ✓            | <p>➤ Other reason. Please explain:</p> <p><b>Honeywell's proprietary technology and equipment make it necessary for the Department of Public Health to maintain this service agreement to ensure that the Public Health Laboratory's security system performs in accordance with Honeywell's equipment specifications and bioterrorism grant requirements.</b></p> |
|              | <div style="display: flex; justify-content: space-between;"> <div data-bbox="365 1648 868 1816"> <br/> Sheila Shima<br/> Deputy Chief Executive Officer, CEO </div> <div data-bbox="982 1669 1274 1774"> <u>8/3/10</u><br/> Date </div> </div>                                  |